

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re: ) Chapter 11  
W.R. Grace & Co., et al., ) Case No. 01-1139 (JKF)  
Debtors. ) (Jointly Administered)  
 ) Related to Docket No.20872

**PRE-TRIAL SUBMISSION ON BEHALF OF ALLSTATE INSURANCE  
COMPANY, SOLELY AS SUCCESSOR IN INTEREST TO NORTHBROOK  
EXCESS AND SURPLUS INSURANCE COMPANY, FORMERLY  
NORTHBROOK INSURANCE COMPANY**

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-and-

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Allstate Insurance Company (“Allstate”), solely as successor in interest to Northbrook Excess and Surplus Insurance Company, formerly Northbrook Insurance Company (“Northbrook”), hereby submits this Pre-Trial Submission pursuant to the Order Regarding Phase II Pre-Trial Proceedings, dated July 7, 2009.

### **STATEMENT OF ISSUES**

- The treatment of Allstate’s 1994 and 1996 Settlement Agreements under the Plan.
- Allstate’s indemnification rights under its Settlement Agreements and under the Plan.
- The classification of Allstate’s potential indemnification claims under its Settlement Agreements and under the Plan.
- Whether the Plan assigns all of the rights and obligations under Allstate’s 1996 Settlement Agreement to the Trust and the treatment accorded Allstate under its 1996 Settlement Agreement under the Plan and the Trust Distribution Procedures.
- Whether the Plan is insurance neutral as to creditors, like Allstate.
- The retention of jurisdiction sections of the Plan.

### **LIST OF WITNESSES**

- Bridget Gould, Claim Manager, Allstate Insurance Company, to establish the existence of and Allstate’s rights under both of its Settlement Agreements, the abrogation of those rights under the Plan and the TDPs and the treatment of its indemnification claims under the Plan and TDPs. Live.
- Richard Finke, Assistant General Counsel for W.R. Grace & Co., to establish Grace’s understanding of the Plan and TDPs as they affect Allstate’s indemnification rights under both Agreements and Allstate’s rights under its 1996 Agreement. Live.
- Jay Hughes, Senior Litigation Counsel for W.R. Grace & Co., to establish Grace’s historical asbestos liabilities and past dealings with insurers, including Allstate. Live.

- Jeffrey M. Posner, Consultant and former Assistant Vice President, to establish Grace's historical asbestos liabilities and past dealings with insurers, including Allstate. Live.
- Peter Van N. Lockwood, Member, Caplin & Drysdale, to establish the ACC's understanding of the Plan and TDPs as they affect Allstate's indemnification rights under both Agreements and Allstate's rights under its 1996 Agreement. Live.
- David T. Austern, to establish the Futures Representative's understanding of the Plan and TDPs as they affect Allstate's indemnification rights under both Agreements and Allstate's rights under its 1996 Agreement. Live.
- Any witnesses necessary for impeachment or rebuttal.

#### **LIST OF EXHIBITS**

- Allstate's June 7, 1994 Settlement Agreement.
- Allstate's February 9, 1996 Settlement Agreement.
- The Proposed Plan of Reorganization.

#### **RESERVATION OF RIGHTS**

Allstate reserves the right to amend or supplement the above pursuant to the Order Regarding Phase II Pre-Trial Proceedings, dated July 7, 2009.

#### **JOINDER OF OTHER INSURERS' PRE-TRIAL SUBMISSIONS**

Allstate joins in the Pre-Trial Submissions by all other insurers to the extent not already identified above

Dated: July 20, 2009  
Wilmington, Delaware

Respectfully submitted,

White & Williams, LLP

By: /s/ James S. Yoder  
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